



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

A-570-994

Grain-Oriented Electrical Steel from the People's Republic of China: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

EFFECTIVE DATE: (Insert the publication date in the *Federal Register*.)

SUMMARY: The Department of Commerce (the Department) determines that imports of grain-oriented electrical steel (GOES) from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margin for the investigation on GOES from the PRC is listed below in the "Final Determination Margin" section of this notice.

FOR FURTHER INFORMATION CONTACT: Edythe Artman or Angelica Mendoza, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3931 or (202) 482-3019, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

On May 12, 2014, the Department published the preliminary determination of the less-than-fair-value investigation of GOES from the PRC in the *Federal Register*.<sup>1</sup> The investigation covers sales of GOES from the PRC for the period from January 1, 2013, through June 30, 2013. In the *Preliminary Determination*, we invited interested parties to comment on our findings and to request a hearing to discuss any issues raised in case and rebuttal briefs. On June 3, 2014, Baoshan Iron & Steel Co., Ltd. (Baoshan), the sole respondent in the investigation, filed comments on the preliminary determination and later incorporated these comments in its case brief, filed on July 1, 2014. After obtaining an extension for rebuttal comments, the domestic parties<sup>2</sup> filed a timely rebuttal brief on July 9, 2014. Baoshan requested a hearing to discuss issues in the briefs but later withdrew its request.

### Scope of the Investigation

The scope of this investigation covers GOES. GOES is a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths. The GOES that is subject to this investigation is currently classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized

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<sup>1</sup> See *Grain-Oriented Electrical Steel From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 79 FR 26936 (May 12, 2014) (*Preliminary Determination*).

<sup>2</sup> The petitioners are AK Steel Corporation, Allegheny Ludlum, LLC, and the United Steelworkers. The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America has participated in this investigation as a domestic interested party. These parties (collectively, the “domestic parties”) made joint submissions in this investigation.

Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive. Excluded are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the HTSUS as a transformer part (*i.e.*, laminations).

#### Verification

The Department did not verify Baoshan because, in the *Preliminary Determination*, we found the company to be uncooperative in its participation in the investigation and thus found its information to be unreliable.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Issues and Decision Memorandum accompanying this notice, and which is hereby adopted by this notice.<sup>3</sup> A list of the issues which the parties raised and to which the Department responded in the memorandum appears in the appendix of this notice. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum

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<sup>3</sup> See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, regarding "Decision Memorandum for the Final Determination of the Less-Than-Fair-Value Investigation of Grain-Oriented Electrical Steel from the People's Republic of China", dated September 24, 2014 (Issues and Decision Memorandum).

can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the memorandum are identical in content.

#### Changes Since the Preliminary Determination

We made no changes to the *Preliminary Determination* based on our review and analysis of the comments received from parties.

#### Final Determination

The Department determines that the following estimated weighted-average dumping margin exists for the period January 1, 2013, through June 30, 2013:

Producer and Exporter	Estimated Weighted-Average Dumping Margin (Percent)
PRC-wide entity <sup>4</sup>	159.21

#### Disclosure

Normally, the Department discloses to interested parties the calculations performed in connection with a final determination within five days of the date of publication of the notice of the final determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). But because the Department, in accordance with section 776 of the Act, applied adverse facts available to determine the estimated weighted-average dumping margin for the mandatory respondent in this investigation, there are no calculations to disclose to parties.

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<sup>4</sup> The PRC-wide entity includes all producers and exporters of GOES from the PRC, including the companies identified in the petition that did not establish that they are separate from the PRC-wide entity in this investigation: Baoshan, Anshan Iron & Steel Group Corporation, Hebei Shougang Qian'an Iron & Steel Co., Ltd., and Wuhan Iron & Steel Co., Ltd.

### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of GOES from the PRC, as described in the “Scope of the Investigation” section of this notice and which were entered, or withdrawn from warehouse, for consumption on or after May 12, 2014, the date of publication of the preliminary determination in the *Federal Register*.

Pursuant to 19 CFR 351.205(d), we will instruct CBP to require a cash deposit for all suspended entries at an *ad valorem* rate equal to the weighted-average amount by which normal value exceeds U.S. price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through<sup>5</sup> where, as here, the product under investigation is also subject to a countervailing duty investigation. For all PRC exporters of merchandise under consideration, the cash-deposit rate will be equal to the dumping margin established for the PRC-wide entity. These suspension-of-liquidation and cash-deposit instructions will remain in effect until further notice.

Furthermore, as stated above and consistent with our practice, we will instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds export price or constructed export price, less the amount of countervailing duty determined to constitute an export subsidy. With respect to the PRC-wide entity, we find that an export-subsidy adjustment of 5.31 percent to the cash deposit rate is warranted because this is the export subsidy rate included in the countervailing duty rate to which PRC-wide entries are currently subject.<sup>6</sup>

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<sup>5</sup> See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies in investigations not in the margin-calculation program, but in the cash-deposit instructions issued to CBP. See *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and accompanying issues and decision memorandum at comment 1.

<sup>6</sup> See *Grain-Oriented Electrical Steel from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, and accompanying Issues and Decision Memorandum at 8. The final determination in this companion

We are not adjusting the final determination rate for estimated domestic subsidy pass-through because we have no basis upon which to make such an adjustment.

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, we notified the International Trade Commission (ITC) of the final affirmative determination of sales at less than fair value. Because the final determination in this proceeding is affirmative, the ITC will make its final determination, in accordance with section 735(b)(2) of the Act, as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of GOES from the PRC no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, then the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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countervailing duty proceeding is being concurrently released on the same day as the final determination in this case.

This determination and notice are issued and published pursuant to sections 735(d) and 777(i)(1)  
of the Act.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

September 24, 2014  
Date

## Appendix I

### Comments Discussed in the Accompanying Final Issues and Decision Memorandum

Summary

Background

Period of Investigation

Scope of the Investigation

Discussion of Comments

    Comment 1: Application of Adverse Facts Available to Baoshan

    Comment 2: Corroboration of Adverse Facts Available Rate

    Comment 3: Selection of an Adverse Facts Available Rate

Recommendation

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